



# Town of Lunenburg Proposed Annual Budget –FY2010

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April 14, 2009



# FY2010 Recommendation

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- Budget Requests were received
- Governor's Budget (House 1) issued
- Additional data on Local Receipts
- Health Insurance Renewal received
- Retirement Assessment received
- Monty Tech Assessment received



# FY2010 Recommendation

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- Disclaimers

- At this early stage in the process, the document is only “good” the day it is printed.
- Use a number of assumptions early on, which firm up as we get closer to Town Meeting
- Much uncertainty around ARRA



# FY2010 Recommendation

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- Balanced, but provides a reduction in service levels over the current year
- Effort was made to insure that core services- Education, Fire, Police, & Public Works- were held as close to level as possible
- Effort was made to restructure/ re-engineer to improve efficiency



# FY2010 Recommendation

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- Funding to cover all contractual salary increases **– moved from Salary Reserve**
- Funding to cover all salary increases due SAP employees (No COLA) **moved from Salary Reserve**
- Balanced budget proposal is based upon use of recurring revenues for operating costs, meaning there is NO request for a draw on either Free Cash or the Stabilization Fund

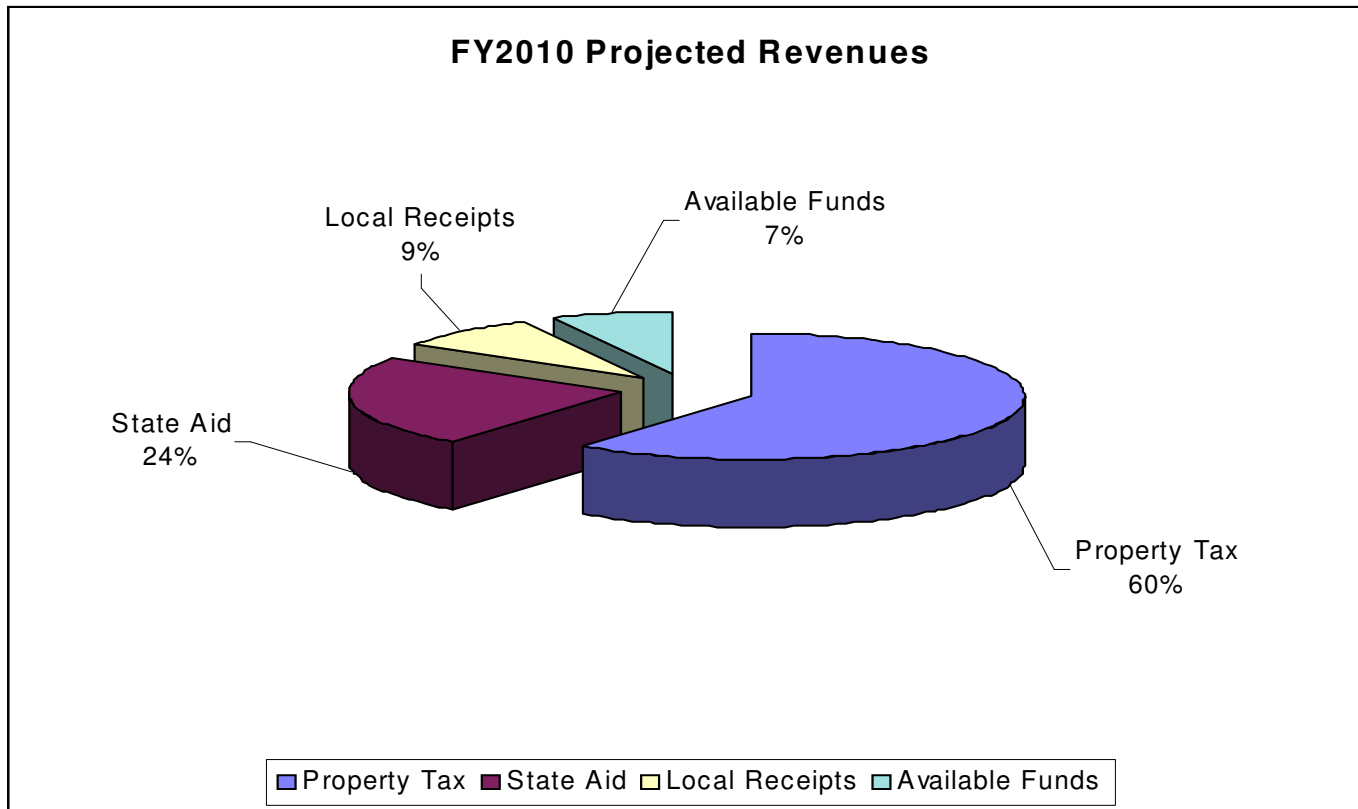


# FY2010- Revenue Estimates

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- Sources of Revenue
  - Property Tax
  - State Aid/ Cherry Sheet
  - Local Receipts
  - Available Funds

# FY2010- Revenue Estimates





# FY2010- Revenue Estimates

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- Property Tax – **No Change**
  - Prior Year base plus 2 ½% increase
  - Estimate for New Growth
  - Overrides & Exclusions- capital, debt
  
- Estimate for New Growth = \$122K
- State Law requires you to assume 100% collection rate
- Estimate for FY2010 = \$17,396,589



# FY2010- Revenue Estimates

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- State Aid- **reduced \$149K**
  - Assume that State Aid will come in at the level included in the Governor's Budget-House 1
  - Chapter 70 Level Funded
  - Governor included funds from increased Meals & Rooms Tax (\$149K)- **eliminated**
  - Big hit to Lottery, down 28.5%, or \$375K
  - Reduction in Quinn Bill of \$15K, 24%



# FY2010- Revenue Estimates

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- Local Receipts – **increased \$66,500**
  - Motor Vehicle Excise Tax, licenses, permits, fees, fines, investment income
  - Elastic Revenues- very dependant upon the economy
  - MVX is the largest component; first indication of what is happening is through Commitment #1, issued in February
    - Commitment was down \$103K, or 11.5%
    - **Second Commitment +\$48K over prior year**
    - Estimate for FY2010, **15%** reduction



# FY2010- Revenue Estimates

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- Available Funds
  - Catch All Category
  - Some one-time revenues, causing a wide variance from year to year
  - SBA Reimbursement - \$586,561
  - Sewer Betterments
    - Fully fund associated debt service & related costs
  - Sewer Enterprise Fund to fund Indirect Costs
  - Balance of Unexpended Articles
  - **ARRA Funding- \$121,950 Capital (probably need to re-think)**



# FY2010- Revenue Estimates

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- ARRA Funding- Federal Stimulus Plan
  - Tentative Funding for LPS
    - 328,911 Fiscal Stabilization Fund
    - \$216,906 IDEA- School Age
    - \$ 8,439 IDEA- Pre-K
    - 49,781 Title 1
  - 50% may go to preserve jobs & programs (\$302,018), remaining to go to Strategic Investment
  - Construction Grant \$163,900 no information

# FY2010- Revenue Estimates Summary

Revenue	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 CAFO February	FY2010 CAFO March	Net Difference March - Feb
Property Tax	\$ 15,601,378	\$ 16,177,531	\$ 16,915,750	\$ 17,396,589	\$ 17,396,589	\$ (0)
State Aid	\$ 5,913,294	\$ 6,296,172	\$ 6,586,064	\$ 6,282,323	\$ 6,132,780	\$ (149,543)
Local Receipts	\$ 2,555,743	\$ 2,403,600	\$ 2,418,600	\$ 2,117,600	\$ 2,184,100	\$ 66,500
Available Funds	\$ 3,060,677	\$ 3,264,005	\$ 2,020,180	\$ 1,409,949	\$ 1,531,899	\$ 121,950
total:	\$ 27,131,091	\$ 28,141,308	\$ 27,940,594	\$ 27,206,461	\$ 27,245,367	\$ 38,906

## ■ Areas of interest:

- House 1 is generally viewed as the base level for State Aid
- What will House Budget show for State Aid? – **April 15, 2009**
- Will we meet our New Growth Projection? – **CVS Pharmacy**
- Will the Town receive anything from ARRA? - **YES**



# FY2010 Expenditures

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- Expenditures are divided into:
  - Functional Categories (Departments)
  - Non-Appropriated Costs
  - Sewer Enterprise Fund (self supporting)
  - Water Enterprise Fund (self-supporting)
  - Solid Waste Disposal Enterprise Fund
  - Other Warrant Articles with a Financial Impact



# FY2010 Expenditures – March 09

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- General Government
  - +\$103,647 over Preliminary
  - Transfer of \$37,924 from Salary Reserve (2 years)
  - Able to restore:
    - 2.0 FTE (3 Position) \$65,723, 1 position to remain vacant
- Still results in a net decrease over FY2009 of \$32,482, or 2.65%, which follows a \$51K, or 4.15%, cut in FY09 over FY08



# FY2010 Expenditures

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- Central Purchasing – **No Changes**



# FY2010 Expenditures

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- Police

- Transfer \$14,936 from Salary Reserve (2 years)
  - Net increase of \$12,436, 0.96% over FY2009
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- COPS Hiring Grant: Town is filing a grant application for 2 officers. Grant covers 100% of Salary & Benefits for 3 years. Town must cover Year 4 100%.



# FY2010 Expenditures

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- Fire

- Transfer \$12,550 from Salary Reserve (2 years)
- Net increase of \$16,163, 2.22%, over FY2009
- Additional amount of increase to cover increased stipend for weeknight hard call



# FY2010 Expenditures- Other Protection

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- Reinstatement On-Call Assistant Building Inspector - \$2,500
- Transfer from Salary Reserve - \$2,760
- Net decrease of \$21,100, 11.42%, over FY2009



# FY2010 Expenditures- DPW/ Facilities

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- \$57,640 over Preliminary Recommendation
  - Reinststate 1.0 FTE at \$34,518, 1.0 FTE to remain vacant
  - Reinststate \$2,518 to Overtime
  - Reinststate \$20K to Supplies
  
- Net decrease of \$30,700, 2.32%, over FY2009

# FY2010 Expenditures-Solid Waste



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- No Changes



# FY2010 Expenditures- Health & Sanitation

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- Transfer \$2,503 from Salary Reserve (2 years)
- Net decrease of \$2,497, 3.71%



# FY2010 Expenditures- Council on Aging

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- \$5,885 over Preliminary Recommendation
  - Restore funding for Outreach Worker hours
  - Net increase of \$1,260, 1.33%, over FY2009



# FY2010 Expenditures-Veterans Administration

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- No Changes



# FY2010 Expenditures – Lunenburg Public Schools

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- Decrease original recommendation by \$100,000, to \$14,577,320
- Reduction of \$172,498, or -1.17% over FY2009
- Recommendation is \$351,490, less than Superintendent's Recommended Budget of \$14,928,810
- Difference to be funded through ARRA



# FY2010 Expenditures- Montachusett Regional

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- No changes
- Monty Tech will receive ARRA funding as well, which may have an impact on our assessment



# FY2010 Expenditures- Library

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- Increase of \$10,990 over Preliminary Recommendation
- Transfer from Salary Reserve – 2 years
- Reference Librarian Position to remain vacant



# FY2010 Expenditures- Debt Service

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- Increase of \$22,482 to reflect additional debt service costs associated with permanent financing.
- May be able to cover this through premium, if one is received



# FY2010 Expenditures- Unclassified

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- Net reduction of \$140,758, or -1.24% over FY2009
- Negotiated better premiums for Worker's Compensation & General Liability – 10% reduction
- Transferred funding from Salary Reserve (2 years)
- Elimination of health insurance benefits for Elected Officials who receive stipends (phased out)



# FY2010 Expenditures- Retirement Assessment

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- No Changes



# FY2010 Expenditures- Non-Appropriated

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- No Changes



# FY2010 Expenditures- Capital

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- Capital Planning Committee recommendation:

■ \$69,000	Cruisers (2)- Police
■ \$33,000	Pagers/ Portables- Fire
■ \$36,050	Tractor/ Loader- School
■ \$38,800	ES Kitchen Replacement
■ \$47,100	MS Kitchen Replacement
■ <u>\$10,000</u>	Vault Improvements- Town
\$233,950	Clerk



# FY2010 Expenditures- Capital

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■ State Aid	\$ 0
■ Recaptured Funds	\$ 27,602
■ Other General Fund Revenue	\$ 84,398
■ <u>ARRA</u>	<u>\$121,950</u>
Total:	\$233,950



# Summary of Changes- Revenue

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■ Property Tax	\$0
■ State Aid	- \$149,543
■ Local Receipts	\$ 66,500
■ <u>Available Funds</u>	<u>\$121,950</u>
■ Net:	\$ 38,907



# Summary of Changes- Expenditures (Prelim to Proposed)

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■ General Government	\$103,647
■ Police	\$ 14,936
■ Fire	\$ 12,550
■ Other Protection	\$ 5,259
■ DPW	\$ 57,640
■ Health	\$ 2,503
■ COA	\$ 5,885
■ LPS	-\$100,000
■ Library	\$ 10,990
■ Debt	\$ 22,482
■ Unclassified	-\$140,758
■ <u>Capital</u>	<u>\$ 43,772</u>
■ Net:	\$ 38,906



# Conclusion

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- FY2010 Budget preserves core services
  - Police: \$12,436 increase over FY09
  - Fire: \$16,163 increase over FY09
  - School: \$178,992 increase over FY09
- All other departments have received level funding at best.
- 2.0 FTE, or 3 vacant positions, remain unfilled (DPW, Town Clerk's Office, Library)
- 4.5 FTE reduction in Schools
- Operating Budget is \$373,128 less than FY2009
- Total Spending is \$695,227 less than FY2009